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AZ CORP COMMISSION
DOCKET CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

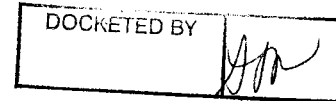
RAYMOND R. PUGEL AND JULIE B.
PUGEL, husband and wife as trustees of THE
RAYMOND R. PUGEL and JULIE B. PUGEL
FAMILY TRUST,
and
ROBERT RANDALL and SALLY RANDALL,
husband and wife
Complainants,
v.
PINE WATER COMPANY, an Arizona
Corporation
Respondent..

DOCKET NO. W-03512A-06-0407

DIRECT TESTIMONY OF RAY
PUGEL

Arizona Corporation Commission
DOCKETED

JUL 19 2007



ASSET TRUST MANAGEMENT, CORP.
Complainants,
v.
PINE WATER COMPANY, an Arizona
Corporation
Respondent.

DOCKET NO. W-03512A-06 -0613

JAMES HILL and SIOUX HILL, husband and
wife and as trustees of THE HILL FAMILY
TRUST,
Complainants,
v.
PINE WATER COMPANY, an Arizona
Corporation
Respondent.

DOCKET NO. W-03512A-07-0100

1 **BRENT WEEKES,**
2 **Complainants,**
3 **v.**
4 **PINE WATER COMPANY, an Arizona**
5 **Corporation**
6 **Respondent.**

DOCKET NO. W-03512A-07-0019

- 7 1. State your name: **Ray Pugel**
- 8 2. You are a complainant in this matter before the Arizona Corporation Commission? **Yes.**
- 9 3. You are acquainted with Mr. Randall also? **Yes.**
- 10 4. You and Mr. Randall own the property described in the complaint and the amended complaint
- 11 filed in this matter?
- 12 **Yes, along with Julie Pugel and Sally Randall.**
- 13 5. What present use can you make of your property?
- 14 **Without Water, not much.**
- 15 6. Did you intend to develop the property?
- 16 **Yes, when water is available.**
- 17 7. Is domestic water available to your property from Pine Water Company?
- 18 **1 parcel has 1 meter for 1 residential unit. The others do not have water available.**
- 19 8. Is the property within the Certificate of Convenience and Necessity of Pine Water Company?
- 20 **Yes.**
- 21 9. Did you request that Pine Water Company provide water service to the Property?
- 22 **Yes, to one of the parcels**
- 23 10. If so, what was the response of Pine Water Company?
- 24 **They could not serve us for the purpose of an RV park.**
- 25
- 26
- 27
- 28
- 29

1 11. Is the letter attached to your complaint denying you service the letter you received from Pine
2 Water Company? **Yes.**

3 12. In order to develop your property and for you and others to use and enjoy the property you are
4 required to have domestic water service to the property? **Yes.**

5
6 13. How many residential units are you planning on constructing on the property?
7 **At the present time, an RV park on 1 parcel and 40 condominium unit on the other parcel.**

8 14. Other than these residential units are you planning on constructing any other improvements on
9 your property?

10 **Possibly at a later date, but we have no definite plans pending the outcome of this litigation.**

11 15. Because Pine Water Company was not able to provide you adequate water service at a reasonable
12 rate, what steps did you take to acquire water for your property?

13 **We drilled a well.**

14 16. The well which you drilled, could you please state what its specifications and production are?

15 **This data has already been provided to all parties in this proceeding.**

16
17 17. Did you engage the services of a hydrologist to assist with the drilling and development of the
18 well? **Yes.**

19 18. If so, whom? **Mike Ploughe**

20 19. Has the hydrologist provided any written documentation concerning the drilling and development
21 of the well? **Yes.**

22 20. Has that information been provided to Pine Water Company in these proceedings? **Yes.**

23
24 21. Based upon what you know about your well and about your development plans for the property,
25 do you believe that you have sufficient water available to develop your property from the Milk
26 Ranch Well? **Yes.**

27 22. Pine Water Company has provided you a "will serve" letter after you instituted this action. A
28 copy of that letter is included in the documents disclosed today. What is your understanding of
29 what Pine Water Company wants from you in order to serve your proposed development?

They want me to provide water from our well to them so they may serve us.

1
2 23. So, is it your understanding that in order to get water from the Pine Water Company you must
3 provide to them the infrastructure to deliver the water, and the water out of your well? **Yes.**

4 24. Have they made an offer to pay you for this water? **No.**

5 25. So essentially, if you were to construct a home for yourself on your property in order to be served
6 by Pine Water Company you would have to give them the water and the well, and the
7 infrastructure so that they could charge you and make a profit from selling you water. Is that
8 your understanding of this situation? **Yes.**

9 26. Would the amount of water you would have to give Pine Water Company be in excess of the
10 amount needed to serve the development of your property?

11 **I don't know.**

12 27. Pine Water Company is presently operating under certain water usage restrictions. If you were to
13 turn your well over to Pine Water Company, and obtain service from them, is it your
14 understanding that you would also be subject to these service restrictions? **Yes.**

15 28. In your opinion would having your property served by Pine Water Company, subject to the
16 service restrictions of Pine Water Company detract from the value of your property, compared
17 with having unrestricted water available from the Milk Ranch Well?

18 **Yes, because Pine Water Company cannot supply a 100 year assured supply nor a supply of**
19 **water for fire protection.**
20
21
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28
29

1 Original and 19 copies mailed/delivered
2 This 17th day of July, 2007 to:

3 Arizona Corporation Commission
4 Attn: Docket Control
5 1200 W. Washington
6 Phoenix, AZ 85007

7 Copies of the foregoing mailed/delivered
8 This 17th day of July, 2007 to:

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